

Message Text

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PAGE 01 REYKJA 00086 181554Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 OMB-01
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R 181444Z JAN 77
FM AMEMBASSY REYKJAVIK
TO SECSTATE WASHDC 6942
INFO COMICEDFOR
CINCLANT
AMEMBASSY COPENHAGEN
AMEMBASSY OSLO
AMEMBASSY STOCKHOLM

C O N F I D E N T I A L REYKJAVIK 0086

E.O. 11652: GDS
TAGS: PINT, IC
SUBJECT: INFLUENCE-PEDDLING ATTRIBUTED TO FONMIN

REF: A. REYKJAVIK 1284, SEPTEMBER 29, 1976, B. REYKJAVIK 0042

1. FONMIN EINAR AGUSTSSON HAS, FOR FIRST TIME, BEEN DIRECTLY LINKED TO ALLEGED PROGRESSIVE PARTY INTERFERENCE IN CRIMINAL JUSTICE PROCESS. CONFIRMING LATEST JOURNALISTIC "REVELATION" OF PP MISDEEDS, AGUSTSSON ACKNOWLEDGED ON JANUARY 14 THAT HE HAD INTERVENED WITH KEFLAVIK MAGISTRATE LAST AUGUST TO OBTAIN BRIEF DELAY IN BEGINNING JAIL SENTENCE FOR UNNAMED CONVICTED CHECK SWINDLER IN ORDER FOR LATTER TO WRAP UP PERSONAL AFFAIRS. EVEN BEFORE WORD OF AGUSTSSON'S INVOLVEMENT, CASE HAD BECOME CONTROVERSIAL WHEN JAILED INDIVIDUAL WAS INEXPLICABLY RELEASED LAST DECEMBER, REPORTEDLY ON ORDERS OF JUSTICEMIN (AND PP CHAIRMAN) OLAFUR JOHANNESSON, AFTER SERVING ONLY FOUR MONTHS OF 30-MONTH SENTENCE. THOUGH AGUSTSSON DENIES ANY INVOLVEMENT IN RELEASE, HIS PART IN GAINING
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 REYKJA 00086 181554Z

DELAY LAST SUMMER HAS NATURALLY LED TO SPECULATION THAT HE PULLED MORE STRINGS IN DECEMBER. IN ANY CASE, AGUSTSSON'S POSITION HAS BEEN FURTHER COMPROMISED BY

INDICATIONS THAT HIS ORIGINAL INTERVENTION IN CASE WAS AT BEHEST OF GUDBJARTUR PALSSON, ICELAND'S ARCH-SWINDLER AND CONFIDENCE MAN, WHO HAD BOASTED OF HIS

INFLUENCE WITH FONMIN AND WHO IS HIMSELF FOCAL POINT OF DIFFERENT AND BIGGER SCANDAL STEMMING FROM HIS OWN RECENT UNEXPLAINED RELEASE FROM CUSTODY AND THE SUBSEQUENT SUSPENSION AND INVESTIGATION OF THOSE POLICE OFFICERS WHO ARRESTED HIM.

2. WHATEVER FULL IMPACT OF LATEST INCIDENT, AGUSTSSON OBIOUSLY FINDS HIMSELF EMBARRASSED AND ONCE AGAIN LOOKING SADLY NAIVE. HE IS QUOTED IN ONE INTERVIEW AS SAYING THAT REQUEST FOR DELAY WAS "ONE OF THE FAVORS I USED TO DO BUT HAVE NOW STOPPED DOING," AND ADDING, "IT'S NO USE ASKING ME FOR SUCH FAVORS ANY MORE." DENYING ANY MISCONDUCT IN MATTER, AGUSTSSON SAID HE WAS MOTIVATED BY DESIRE TO RELIEVE PERSONAL HARDSHIP AND THAT HE HAD PERHAPS NOT BEEN CAREFUL ENOUGH IN EXAMING IMPLICATIONS.

3. AGUSTSSON HAD PREVIOUSLY BEEN EMBARRASSED (REF A) BY REPORTS HE MISUSED INFLUENCE TO OBTAIN LARGE PERSONAL LOAN ON CONCESSIONAL TERMS. HOWEVER, UNLIKE THAT APPARENTLY ISOLATED INCIDENT, LATEST REVELATION INVOLVES FONMIN IN THICK OF REPUTED PROGRESSIVE PARTY ABUSE OF CRIMINAL JUSTICE SYSTEM WHICH HAS UNDERMINED CONFIDENCE BOTH IN THAT SYSTEM AND IN PP. AS NOTED REF.B, CONSTANT ALLEGATIONS AGAINST PP AND ITS OFFICIALS ARE EXPECTED TO TAKE POLITICAL TOLL AND REPRESENT POTENTIAL THREAT TO UNITY OF INCUMBENT COALITION. AGUSTSSON'S APPARENT INVOLVEMENT ADDS NEW DIMENSION TO BOTH MORAL AND POLITICAL ASPECTS OF CONFIDENTIAL

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PAGE 03 REYKJA 00086 181554Z

SITUATION.
BLAKE

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 18-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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